

36. *Army*.—The expenditure under this head is estimated at Rs. 7.75 lakhs as against the revised estimate of Rs. 6.45 lakhs for the current year. The excess is due to increased grant for Army works.

37. *Village Panchayats*.—As an experimental measure, it is proposed to organise in 1107 two Panchayats in each of the Divisions of Trivandrum, Quilon and Kottayam and the Dewan Peishkars have been asked to choose suitable centres. Under Section 44 (3) of the Village Panchayat Regulation, Government have to contribute an amount not less than three-fourths of the budgeted expenditure of each Panchayat for the first five years. A lump provision of Rs. 6,000 has accordingly been made under 38, Miscellaneous.

38. *Economic Depression Enquiry Committee*.—Travancore shares with the rest of the world the effect of the present economic depression and Government have appointed a Committee consisting of official and non-official members to investigate and report upon the extent and causes of the situation so far as it affects our State and to suggest remedial measures. The Committee began its work towards the close of Edvavom last. The report of the Committee is awaited.

39. *Analysis of the reduction in expenditure*.—The allotment for the next year under expenditure charged to revenue is Rs. 231.66 lakhs, the corresponding provision for the current year being Rs. 248.77 lakhs. A reduction of Rs. 17.11 lakhs under expenditure has been effected as shown below:—

	<i>Rupees in lakhs.</i>
Salaries and Establishment	... 19
Travelling Allowances	... 52
Supplies, Services and Contingencies	... 4.04
Other contingencies such as Forest Conser- vancy and Works, Discount on sale of stamps etc.	... 3.50
Works by P. W. and Maramath departments...	8.86
Total	... 17.11

CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.

40. *Railways. Quilon-Trivandrum line*.—A provision of Rs. .55 of a lakh is made for capital works on the line, as detailed in Appendix G of the Budget.

41. *Chackai-Tampanur Extension*.—The cost of the extension as per the sanctioned estimate is Rs. 19.15 lakhs and the aggregate expenditure to the end of the current year is expected to stand at Rs. 18.79 lakhs. Owing to the changes in design of the Central Station building, provision of additional staff quarters in the Central Station yard, provision of new permanent way materials for a portion of the railway line instead of utilising the old materials from the pier-siding as originally proposed and increased outlay on land, an excess of more than Rs. 4½ lakhs over the original estimate is anticipated by the Railway Engineer, of which nearly two lakhs is under Land Compensation charges. An

allotment of Rs. 3.74 lakhs has been made for the Extension for the next year provisionally, pending receipt of the detailed revised estimates from the Railway Engineer. All the items of work are in good progress and provision has been made for Salary and Establishment charges up to the end of Kanni 1107.

42. *Trivandrum Water Supply Works.*—Against the sanctioned estimate of Rs. 46.22 lakhs for the works to be immediately taken up, the aggregate expenditure to the end of the current year is expected to stand at Rs. 25.81 lakhs. The construction of the Aruvikara Dam Masonry was started in Makaram last and the foundations have been completed for the left two-thirds of the Dam and the superstructure is now in progress. The construction of the Settling Tank at Aruvikara has also been taken up and is making good progress. It is expected that these two items of work will be completed in the course of the next year.

The transport of pipes, special's, etc., for the main supply line has been completed and two miles of pipe line have already been laid. The works on the Paterson Filter Structural Works are in good progress as also the erection of the mechanical equipment therein. Foundations are being laid for the Low Level Service Reservoir at Vellayambalam. The pipes and the fittings for the Town distribution system are being received and the works in trenching and laying will be started soon. The works on the Observatory Hill are progressing, so that a start could be made next year for the construction of the High Level Service Reservoir. An allotment of Rs. 11.84 lakhs is provided for construction works next year as detailed below:—

	<i>Rupees in lakhs.</i>
1. Land	... 10
2. Head works at Aruvikara Dam and Settling Tank	... 1.54
3. Main Supply Line from Aruvikara to Trivandrum	.. 1.01
4. Purification of Water	... 1.00
5. Service Reservoirs and Pumping Plant	... 2.00
6. Town Distribution System	... 6.00
7. Tools and Plant for construction and general works charged to the Project etc.	... 19
Total	... 11.84

43. *The Trivandrum Electric Supply and Telephone Schemes.*—*Electric Supply.*—The aggregate of the estimates for this Capital work to the end of the current year is Rs. 6.46 lakhs and the total expenditure is expected to stand at Rs. 6.41 lakhs. There are at present 4 generating sets, 38 miles of overhead lines, 9½ miles of under-ground cables and 5 Sub-stations. The Service connections completed so far, supply energy to 675 private consumers, 126 Government buildings, 14 Palace buildings, 1233 street lights and 4 traffic control lights.

The demand for electrical energy is steadily increasing and with a view to meet the same and for completing the works already sanctioned, an allotment of Rs. 43 of a lakh has been provided for the next year as detailed in Appendix I. It may be mentioned that the working of the Scheme during 1107 is expected to yield a return of Rs. 31 of a lakh on a capital outlay of Rs. 6.84 lakhs after setting apart Rs. 35 of a lakh for depreciation. This works up to 4.5 per cent. on the outlay. The depreciation fund is expected to stand at Rs. 95 of a lakh at the end of 1107.

44. *Telephone.*—This work has made considerable progress during the year. The inter-connection in the Huzur Exchange has been completed and 60 subscribers were connected to the Central Exchange. The remaining portion of the work, as per the estimates sanctioned by Government, is in progress and is expected to be completed by the first quarter of 1107. An allotment of Rs. 10,000 has been provided for the work next year.

45. *Bridge across the Neendakara Par.*—The work was completed and the bridge formally opened for traffic on 32nd Edavam 1105. But final payment to Messrs. Braithwaite and Co., who constructed the bridge was not made in that year. It is proposed to pay off a portion of the liability this year. A sum of Rs. 33 of a lakh is estimated for the current year for this purpose as also for payment of arrears of establishment and other charges.

46. *Construction of a bridge at Neriamangalam across the Periyar River.*—It is proposed to construct a bridge at Neriamangalam on the Neriamangalam-Pallivasal road at an approximate cost of Rs. 3 lakhs and to treat it as a capital work not charged to revenue. With a view to secure a return on the capital investment, it is proposed to levy a toll on the bridge when it is opened for traffic.

47. *Sinking Funds.*—The capital expenditure met by the Secretary of State on account of the Shencotta-Quilon Railway amounts to Bh. Rs. 138.78 lakhs and the Capital expenditure incurred by the State for the Quilon-Trivandrum line amounts to Bh. Rs. 53.64 lakhs. The Sinking Funds created in connection with the Railway and the Debenture loan of 10£1 now stand at Rs. 71.77 lakhs. The whole amount remains invested in gilt-edged securities.

48. *Loans—Agricultural Loans.*—An allotment of Rs. 2 lakhs was provided in the current year's Budget Estimate for the grant of loans under the Land Improvement and Agricultural Loans Regulation. On account of the economic depression, there was a large number of applications for loans during the year. An additional allotment of Rs. 1½ lakhs had therefore to be sanctioned during the year, of which rupees one lakh was ear-marked for the purpose of granting small loans, the maximum limit of which was fixed at Rs. 200.

For the ensuing year, Rs. 4.5 lakhs is provided, Rs. 3.5 lakhs for the grant of ordinary Agricultural loans and Rs. 1 lakh for the grant

of special loans to the Punja cultivators in Kuttanad. Out of the allotment of Rs. 3.5 lakhs provided for the grant of ordinary Agricultural loans, Rs. 2 lakhs will be earmarked for the purpose of granting small loans during 1107, on account of the economic depression prevailing in the country, as was done in the case of the additional grant of Rs. 1½ lakhs sanctioned for the grant of such loans during the current year. But it is proposed to raise the maximum limit to Rs. 500 as the limit of Rs. 200 now fixed appears to be too low. The grant of Rs. 1 lakh under special loans provided for the next year is intended to help the Punja cultivators in Kuttanad, especially the cultivators of lands reclaimed from the Vembanad Lake, in pumping out water.

49. *Other Loans.*—A provision of Rs. half a lakh for Industrial Loans and of another half a lakh for Miscellaneous loans and advances bearing interest, is also made for the next year.

50. *Land Mortgage Bank.*—The Banking Enquiry Committee have in their report urged the necessity of organising a Land Mortgage Bank in Travancore and the Registrar of Co-operative Societies has been asked to frame and submit to Government definite proposals in that behalf.

GENERAL POSITION.

51. Government balance at the end of the year 1099 stood at Rs. 74.75 lakhs. The revenue in 1100 was Rs. 206.4 lakhs; it rose up to Rs. 251.16 lakhs in 1104 and came down to Rs. 247.23 lakhs in 1105. The revenue surplus from 1100 to the end of 1105 amounted to Rs. 105.79 lakhs. The capital receipts during the period amount to Rs. 31.32 lakhs and the capital expenditure for reproductive works amounts to Rs. 46.29 lakhs. The net surplus during the period from 1100 to 1105 for which period alone final figures are available at present, amounts to Rs. 90.82 lakhs. Government balance at the end of 1105, therefore, stood at Rs. 165.57 lakhs. The year 1106 is expected to end in a revenue deficit of Rs. 7.47 lakhs and including the Capital Expenditure, the net deficit at the end of the year is estimated at Rs. 20.82 lakhs with the result that Government balance is expected to close with Rs. 144.75 lakhs. The estimated revenue for the year 1107 is Rs. 232.19 lakhs and the expenditure is expected to stand at Rs. 231.66 lakhs. After making due provision for the expenditure under Capital Works from the surplus of previous years, Government balance at the end of 1107 is expected to stand at Rs. 130.94 lakhs.

FINANCIAL POSITION.

52. A statement of our assets and liabilities, as at the close of 1106 and 1107, is given on page 7 of the Budget Estimates. According to the final accounts of 1105, our booked assets stood at Rs. 366.88 and the liabilities at Rs. 201.31 lakhs. At the close of 1106 the assets are expected to stand at Rs. 354.04 and the liabilities at Rs. 209.29 lakhs.